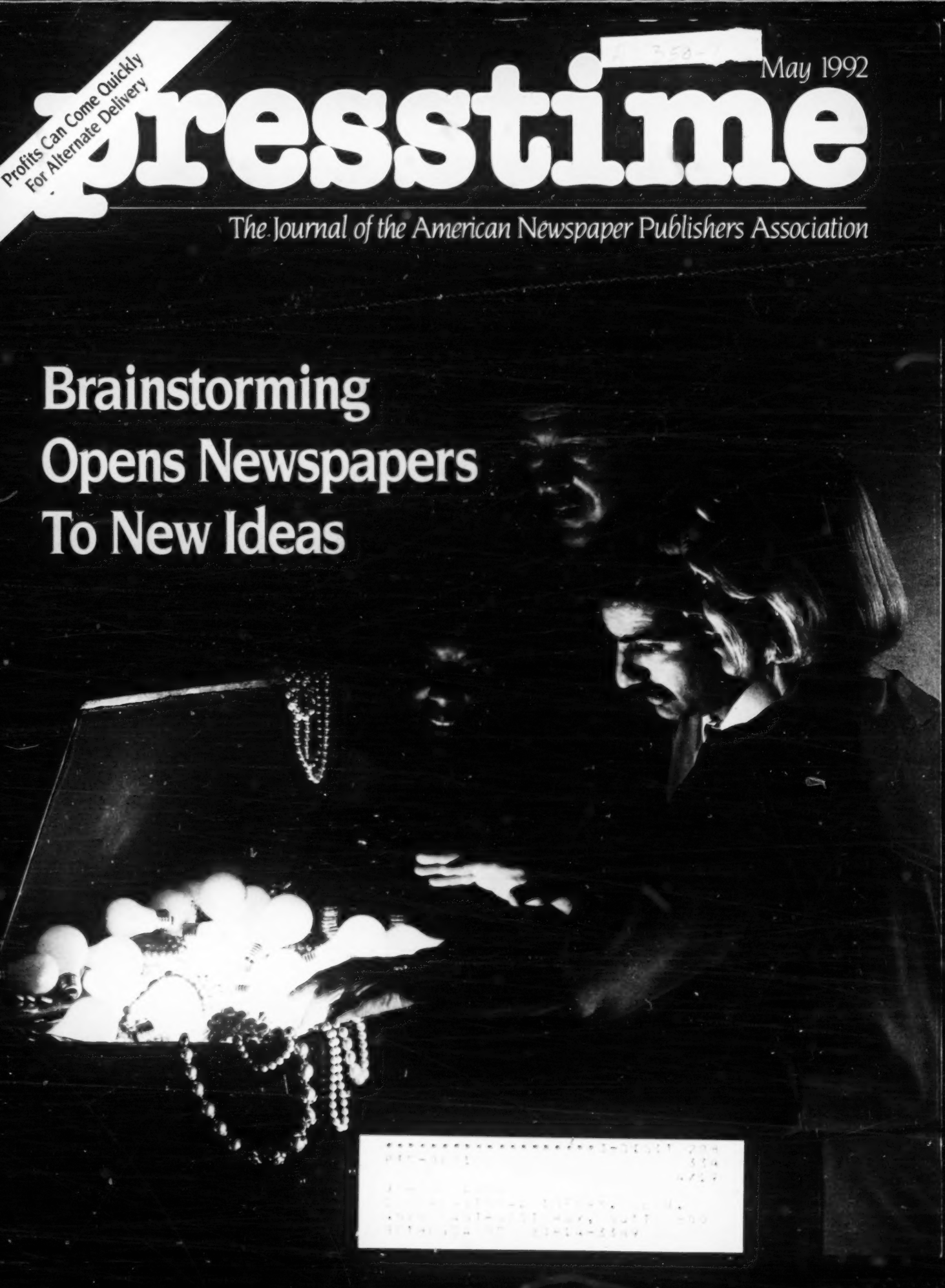
May 1992

Presstime

The Journal of the American Newspaper Publishers Association

Profits Can Come Quickly For Alternate Delivery

Brainstorming Opens Newspapers To New Ideas



presstime

MAY 1992 VOLUME 14, NUMBER 5

18 Special Report *From retreats to weekly meetings to consulting sessions, more newspaper companies are turning to brainstorming to tap the resources of their staffs. The goal? To generate new ideas that will help keep their publications vital and prosperous. Once, brainstorming had an image of touchy-feely impracticality. But today's meaningful sessions are a recognition that to change is to survive. While most efforts have centered on editorial improvements, the technique is spreading.*

6 Going door to door *Newspapers are increasingly participating in alternate delivery, much to the chagrin of postal carriers and direct mailers.*

10 Campus comeback *Journalism schools see revived interest in news-editorial programs, as the number of advertising majors eases slightly.*

14 Principled declaration *Mission statements are good for the soul of a newspaper, helping employees and customers understand the company's goals.*

25 Savings bonanza *Newspapers offer—and employees are using—a wide variety of savings and pension plans, from tax deferrals to profit sharing.*

32 Profile: Frank A. Bennack Jr. *The Hearst Corporation's president and chief executive officer has a successful track record of fostering change.*

34 Essay: News creators *The label "news gatherers" avoids responsibility for what journalists do, ethics Professor Louis W. Hodges contends.*

42 Bells on the move *The regional phone companies are nudging into information services. Their activity so far has not been [illegible] "gee-whiz" genre.*

46 Editors meet *They bared their thoughts about connecting with their communities, communicating with their staffs and resisting advertiser pressures.*

62 A Peach of a show *A revamped ANPA/TEC '92 will unfold in Atlanta June 6-10 with equipment galore. Here's a handy categorized preview.*

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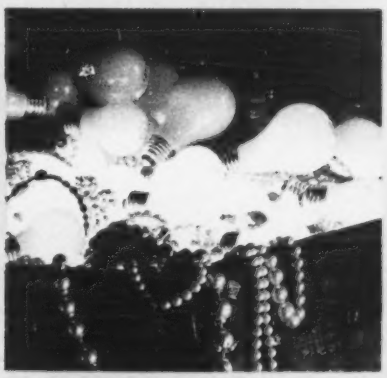

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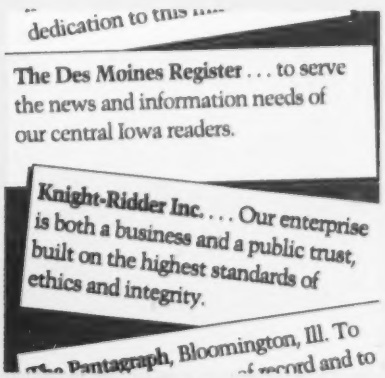
(Cover photography by Lightscapes.)


dedication to this
The Des Moines Register . . . to serve the news and information needs of our central Iowa readers.
Knight-Ridder Inc. . . . Our enterprise is both a business and a public trust, built on the highest standards of ethics and integrity.
Pantagraph, Bloomington, Ill. To
record and to

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presstime®

Presstime magazine (ISSN 0194-3243) is published monthly by the American Newspaper Publishers Association, 11600 Sunrise Valley Drive, Reston, Va. 22091. Basic subscription rate of $50 a year is included in members' dues. Non-member rate is $100 domestic, additional overseas. Second-class postage paid at Reston, Va., and additional mailing offices. Copyright 1992 by ANPA. All rights reserved. Unsolicited articles and photos should be sent to the presstime editor. POSTMASTER: Send address changes to presstime, ANPA, Box 17407 Dulles Airport, Washington, D.C. 20041.

BPA Presstime is a member of the Business Publications Audit of Circulation Inc.

Newspapers prove effective in helping buyers find the right car

A new study concludes that newspaper advertising continues to be the most powerful medium for building traffic in car dealerships. And print media—magazines, newspapers and auto traders—proved highly effective in helping consumers choose makes and models.

The 1991 research, conducted by J.D. Power and Associates and sponsored by the Newspaper Advertising Bureau, included a survey of 1,053 buyers of Chrysler, Ford and General Motors cars. About 43 percent found newspaper advertising most helpful in dealer selection, with more influence than television and magazine ads combined.

Although no one medium dominates as a primary shaper of brand-name decisions, 27 percent of the respondents said they considered newspaper ads the most helpful in choosing makes or models. Newspapers were second only to magazines, rated most helpful by 29 percent. Television advertising was considered most helpful by 26 percent. (See table, above.)

The Power study updates similar 1988 findings by Maritz Marketing Research Inc. [presstime, Oct. 1988, p. 63]. The earlier work formed the basis of a popular NAB information package for car dealers.

That selling aid is being updated using the new study results. It will be released in May as a five-part package: a video, a desktop computer program, a brochure titled "Newspapers: The Fast Lane to New Car Sales," a camera-ready newspaper advertisement, and instructions on presenting the material to local car dealers and associations.

The study will "strengthen the selling power of newspapers at the local level with auto dealers, by demonstrating the continued pulling power of newspapers," said Albert E. Gollin, the bureau's vice president/research.

Automotive advertising accounts for about 15 percent of advertising expenditures in newspapers, he noted, most of it in classified columns. Auto ads constitute about 36 percent of all classified linage. During the last three recessionary years, however, the rate of growth for automotive classified has "dropped sharply from double digits to single digits and may not have grown at all in 1991, according to preliminary estimates," Gollin reported.

Convincing manufacturers and auto dealer associations to use newspaper advertisements to "build and reinforce brand image" could help reverse that trend, he said. "The more challenging and innovative role of this study is to demonstrate the brand image building power of newspapers," he noted. Other findings show:

- Buyers enter and exit the market quickly. The average time spent shopping for a new car is 19 days.
- Print media such as brochures and newspapers are the top information sources.
- 79 percent of the buyers surveyed read a paper every day in 1991, compared with 51 percent of the general adult population.
- Nearly two-thirds of those surveyed shop at "convenient" dealers. Classified ads help them find the showrooms. Nearly half visited only one or two locations before signing a sales contract; another 33 percent visited three or four.

The package's price has not yet been determined. For further information, call NAB at (212) 704-4614. —*Nancy M. Davis*

Most Helpful Advertising Medium, 1991

	In Selecting Auto Dealer	In Selecting Make/Model
Newspaper advertising	43 %	27 %
TV advertising	27	26
Magazine advertising	15	29
Auto traders/free publications	10	16
Radio advertising	5	2

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Capital spending again projected to top $1 billion

Newspaper companies responding to ANPA's annual survey of capital expenditures spent more than $1.3 billion on plant construction, telecommunications and other equipment in 1991, the sixth straight year survey expenditures topped the $1 billion mark.

Newspaper publishers estimate they will spend slightly less on plant construction and new equipment this year, but spending of more than $1 billion is still forecast.

The survey was answered by 402 ANPA-member newspapers—386 in the United States and 16 in Canada. Responses to this year's survey were down from 1991, when 424 newspapers participated. The response rates fluctuate from year to year, making direct comparisons difficult. The forms were sent to the plants that print ANPA-member newspapers [**presstime**, June 1991, p. 87].

This year, the survey was revised to yield more precise data. For example, in the past, editorial, classified and advertising computer systems were lumped together as front-end systems. This year, editorial, financial, classified and other systems were listed separately.

Pressroom equipment, previously a single designation, was divided into new and used press machinery. The post-press category, formerly a single entry, became seven specific items including inserters, stackers and accountability systems.

A closer examination of the survey results reveals how publishers spent their money in 1991 and project their spending for this year.

In 1991, newspapers spent $829.4 million on new equipment and $501.1 million on plant design and construction.

New equipment purchase projections are $770.2 million for 1992, while new plant construction and plant modernization expenses are expected to reach $329 million.

Telecommunications equipment expenditures are projected at $21 million this year,

Chart 1—1992 Estimates

Newspaper Plants Participating[1]	U.S. 386	Canada 16	Totals 402
Plant Expansion and Modernization			
New Building	$186,081,438	$21,143,838	$207,225,276
Addition(s) to existing building and/or satellite building	31,999,812	50,000	32,049,812
Modernization of existing building	54,540,020	966,000	55,506,020
New furniture and office equipment	25,186,336	1,292,825	26,479,161
Additional land	7,367,587	0	7,367,587
Subtotal	$305,175,193	$23,452,663	$328,627,856
Telecommunications			
Telephone systems	8,769,581	510,000	9,279,581
Radio	832,813	28,000	860,813
Audiotex, videotex	3,007,900	345,000	3,352,900
Satellite	70,000	0	70,000
Other	6,713,012	438,000	7,151,012
Subtotal	$19,393,306	1,321,000	20,714,306
New Equipment			
Computers (hardware and software)			
Editorial	$53,888,080	$2,943,500	$56,831,580
Classified	24,327,353	21,188,870	26,516,223
Financial systems	17,266,208	1,283,500	18,549,708
Circulation systems	10,406,726	1,239,000	11,645,726
Personal computers	17,156,975	846,392	18,003,367
Electronic library system(s)	4,186,668	19,200	4,205,868
Imaging devices	21,273,676	1,292,000	22,565,676
Other	33,416,893	946,000	34,362,893
Digital darkroom, editorial photo department, electronic picture desk	13,170,652	522,000	13,692,652
Color scanners and color separation equipment	16,875,991	754,000	17,629,991
Platemaking equipment	8,957,328	2,656,373	11,613,701
Pressroom			
New press machinery	259,102,453	23,547,000	282,649,453
Used press machinery	7,526,183	200,000	7,726,183
Post-press			
Inserters	55,431,651	4,780,000	60,211,651
Stackers	14,775,935	1,644,000	16,419,935
Conveyor(s)	17,100,977	8,669,000	25,769,977
Bundle strapping	6,324,562	260,000	6,584,562
Bundle distribution	16,699,272	0	16,699,272
Newspaper accountability systems	2,715,998	750,000	3,465,998
Pallet load leveler (ergonomic devices to prevent back strain)	968,800	285,000	1,253,800
Warehouse equipment			
Newsprint roll handling	3,539,055	60,000	3,599,055
Pallet handling	3,074,471	186,000	3,260,471
Pallet storage racks	958,600	0	958,600
AGV (automatic guided vehicle)			
Newsprint handling	6,472,812	2,394,000	8,866,812
Pallet handling	1,621,000	1,516,000	3,137,000
Energy and security management equipment	4,964,733	25,000	4,989,733
Transportation—automobiles and trucks	27,363,235	185,000	27,548,235
Newspaper vending machines	10,256,817	832,000	11,088,817
Commercial or job printing equipment	3,508,157	19,000	3,527,157
Waste management	3,518,118	10,000	3,528,118
Other	34,357,336	8,900,000	43,257,336
Subtotal	$701,206,715	$68,952,835	$770,159,550
Estimated Total Outlays	$1,025,775,214	$93,726,498	$1,119,501,712

[1]Figures represent only those ANPA-members reporting and not all daily newspapers.

Chart 2—1991 Expenditures

Newspaper Plants Participating[1]	U.S. 386	Canada 16	Totals 402
Plant Expansion and Modernization			
New Building	$288,109,720	$70,256,609	$358,366,329
Addition(s) to existing building	20,159,145	189,724	20,348,869
Modernization of existing building	55,889,254	2,746,072	58,635,326
New furniture and office equipment	30,583,618	3,533,953	34,117,571
Additional land	29,652,346	0	29,652,346
Subtotal	$424,394,083	76,726,358	501,120,441
Telecommunications			
Telephone systems	8,546,368	28,782	8,575,150
Radio	1,152,686	0	1,152,686
Audiotex, videotex	1,205,991	0	1,205,991
Satellite	163,567	5,000	168,567
Other	2,268,711	64,395	2,333,106
Subtotal	$13,337,323	$98,177	$13,435,500
New Equipment			
Computers (hardware and software)			
Editorial	$29,693,705	$2,186,321	$31,880,026
Classified	16,747,637	2,544,910	19,292,547
Financial systems	12,066,278	1,051,059	13,117,337
Circulation systems	6,608,672	560,311	7,168,983
Personal computers	14,180,128	656,358	14,836,486
Electronic library system(s)	1,341,921	10,000	1,351,921
Imaging devices	13,821,181	812,837	14,634,018
Other	19,792,104	249,532	20,041,636
Digital darkroom, editorial photo department, electronic picture desk	10,293,431	558,816	10,852,247
Color scanners and color separation equipment	11,131,639	415,531	11,547,170
Platemaking equipment	8,910,002	1,171,274	10,081,276
Pressroom			
New press machinery	342,177,449	77,803,200	419,980,649
Used press machinery	10,800,110	62,300	10,862,410
Post-press			
Inserters	62,594,260	9,565,423	72,159,683
Stackers	10,046,381	2,968,000	13,014,381
Conveyor(s)	28,958,793	5,863,887	34,822,680
Bundle strapping	7,218,849	781,100	7,999,949
Bundle distribution	7,183,602	16,500	7,200,102
Newspaper accountability systems	1,116,923	0	1,116,923
Pallet load leveler (ergonomic devices to prevent back strain)	2,114,005	55,608	2,169,613
Warehouse equipment			
Newsprint roll handling	0	0	0
Pallet handling	5,822,033	53,846	5,875,879
Pallet storage racks	132,366	0	132,366
AGV (automatic guided vehicle)			
Newsprint handling	14,766,784	4,385,000	19,151,784
Pallet handling	2,841,340	2,802,000	5,643,340
Energy and security management equipment	7,754,333	199,340	7,953,673
Transportation—automobiles and trucks	20,681,711	1,095,515	21,777,226
Newspaper vending machines	8,267,487	295,000	8,652,487
Commercial or job printing equipment	3,007,636	6,200	3,013,836
Waste management	2,851,416	15,000	2,866,416
Other	22,276,960	8,047,226	
Subtotal	$705,199,136	124,232,094	829,431,230
Total Outlays	$1,142,930,541	$201,056,629	$1,343,987,171

a hefty increase. If this level of spending holds up, newspapers will buy more than six times as much telecommunications equipment as they did just two years ago. In 1990, newspapers spent $3.3 million while $13.4 million was spent last year.

For the first time, respondents were asked to specify the types of telecommunications equipment purchased. They estimated that in 1992, $9.3 million will be spent on telephone systems, compared with $8.6 million in 1991.

Audiotex and videotex equipment spending is expected to nearly triple, from $1.2 million last year to $3.3 million this year.

The pre-press area will also be the focus of extensive new equipment purchases this year. By far, the biggest expenditures will be for editorial systems, with $57 million budgeted—a 78 percent increase over 1991, when newspapers spent $32 million. Expenditures for classified-ad systems also will jump, from $19 million in 1991 to estimates of $26.5 million this year—a 39 percent increase.

A new category was established for digital darkrooms. Newspapers indicated they spent nearly $11 million on that type of equipment in 1991 and plan expenditures of $13.7 million this year.

Color scanners and other color separation equipment also will be popular. In 1991, newspapers spent $11.5 million on such color equipment, and 1992 expenditures of $17.6 million are planned—a 53 percent increase.

For the most part, projected capital spending for heavy equipment in 1992 will be down from 1991, when newspapers spent $420 million on new pressroom machinery and $11 million on used press equipment. In 1992, projected spending totals $283 million for new presses and related equipment—a 32 percent decrease—and $7.7 million for used pressroom machinery.

In the post-press area, the most spending, $60.2 million, will go for inserters this year, but that figure is down 16 percent from 1991's spending of $72 million.

Spending for bundle-distribution equipment is projected to more than double, from $7.2 million in '91 to $16.7 million this year. □

New name for Main

Chas. T. Main, the Boston engineering and architectural firm, changed its name to Parsons Main Inc. The company, which has a printing and publishing division that includes newspaper projects, is owned by Parsons Corp., an international engineering and construction company. □

Recent equipment purchases

Newspapers in the United States have made the following recent purchases of major equipment, according to information from vendors and newspapers:

Packaging and Distribution

Graphic Management Associates Inc. SLS-1000 inserting system, with a NewsGrip single-gripper conveyor, hopper loaders and a Package Monitoring System—Vacaville (Calif.) Reporter and Altoona (Pa.) Mirror.

Muller Martini Corp. 335 saddle stitcher for television guides—Stuart (Fla.) News, Gainesville (Ga.) Times, Owensboro (Ky.) Messenger-Inquirer, Fitchburg (Mass.) Sentinel & Enterprise, Olean (N.Y.) Times-Herald, Newark (Ohio) Advocate, Piqua (Ohio) Daily Call, and West Chester (Pa.) Daily Local News.

Pagination Systems

Harris Corp. XP-21 Page Server, a color page-assembly and graphics-handling system for advertising production that links with the newspaper's existing equipment—Colorado Springs Gazette Telegraph.

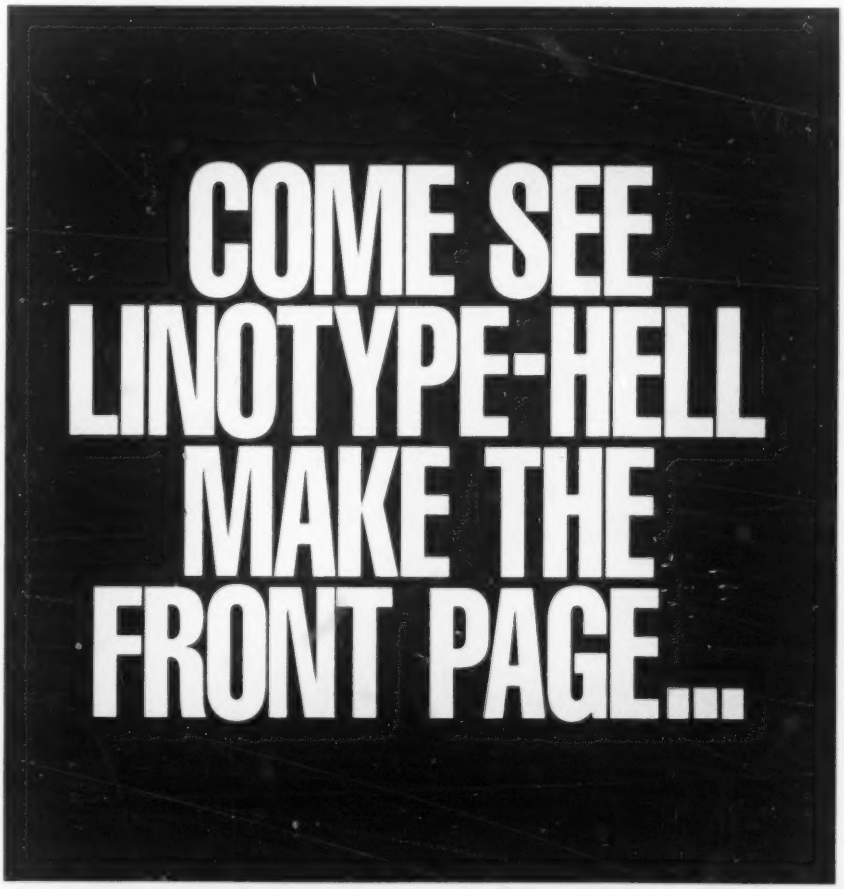
Harris Corp. pagination and graphics system, including 15 pagination terminals to automate news page production plus Image Management and Graphic Enhancement System software that integrates Apple Macintosh-based files, color photos from the AP Leaf Picture Desk, and black-and-white photographs from the Autokon scanner—Portland Oregonian.

Pre-Press Systems

Diadem Inc. color electronic pre-press system with a Carat 500 color electronic workstation, a 420R light-emitting diode film recorder, a 220S LED scanner, a CaratScript PostScript interpreter and ScanLink software joining the Apple Macintosh with drum scanners for color imaging—Tacoma (Wash.) Morning News Tribune.

Pressroom

MAN Roland Inc. Mediaman offset press, a six-unit press with six color decks and a 2:1 tucking blade folder—Kennewick (Wash.) Tri-City Herald. □



35-cent weekday and $1 Sunday papers still dominate

The predominant price for daily newspapers remained 35 cents on weekdays and $1 on Sundays in 1991, according to ANPA's annual survey of single-copy, city-zone, street-sale prices.

The survey covered 1,693 daily newspapers and 878 Sunday newspapers published in the United States, Canada, the Bahamas, Bermuda, Guam, Puerto Rico and the Virgin Islands. It showed that 818 of the dailies, or 48.3 percent, cost 35 cents per weekday copy last year. This compares with 765, or 44.3 percent, selling for 35 cents in 1990—the first year the predominant price was at that level [**presstime**, May 1991, p. 54].

Also increasing last year was the number of papers priced at 45 cents (from seven to 17), 50 cents (from 155 to 300), 55 cents (from three to 11), 60 cents (from three to six), 65 cents (from zero to one), and 75 cents (from three to eight). The 75-cent level for weekday editions was first reached in 1990.

At the other extreme, two newspapers are selling for 10 cents a copy. They are the Leesburg (Fla.) Daily Commercial and the Duluth (Ga.) Gwinnett Daily News. (It had been erroneously reported previously that there were no longer any 10-cent dailies.)

Newspapers selling for 15 cents decreased (from eight to four), as did those priced at 20 cents (from nine to seven), 25 cents (from 665 to 450), 30 cents (from 67 to 37) and 40 cents (from 42 to 32).

On the Sunday-edition front, 276, or 31.4 percent, sold for $1 in 1991 compared with 256, or 29.3 percent, the year before. There was also an increase in the number selling for 35 cents (from 13 to 17), 60 cents (from four to five), 65 cents (from one to two), $1.25 (from 125 to 158) and the highest price of $1.50 (from 12 to 45). Two Sunday editions sold for 80 cents and one each for 70 cents, 90 cents and $1.15.

Those selling for the least expensive price—25 cents—decreased (from 33 to 22). So did those priced at 30 cents (from two to one), 50 cents (from 182 to 128) and 75 cents (from 241 to 219). Until 1990, the latter price was the Sunday norm for three consecutive years.

Data were derived from the Audit Bureau of Circulations and other sources. □

Price outpaces the CPI

Between January 1991 and January 1992, the average price of a U.S. daily newspaper rose 8.8 percent. That is more than twice the 3.1 percent increase of the consumer price index in 1991, according to the Department of Labor's Bureau of Labor Statistics.

In 1990, the average price of a daily newspaper increased 6 percent, slightly more than the 5.7 percent CPI increase [**presstime**, May 1991, p. 54].

Price per single copy of Sunday newspapers—1991

	25 cents	35 cents	50 cents	75 cents	$1.00	$1.25	$1.50	Total[1]
Alabama	--	--	3	7	9	--	--	19
Alaska	--	--	2	--	1	1	--	4
Arizona	--	--	1	--	8	--	2	11
Arkansas	1	1	9	5	--	--	--	16
California	2	2	11	16	25	12	1	70
Colorado	--	--	3	6	1	--	--	10
Connecticut	--	--	--	--	3	6	2	11
Delaware	--	--	--	--	1	1	--	2
District of Columbia	--	--	--	--	--	1	--	1
Florida	--	--	12	11	6	4	1	34
Georgia	--	--	--	11	4	2	1	18
Hawaii	--	1	1	1	1	1	--	5
Idaho	--	--	1	--	7	2	--	10
Illinois	--	--	3	1	15	4	3	27
Indiana	--	--	--	1	13	7	1	22
Iowa	--	--	--	2	2	3	3	10
Kansas	--	--	2	8	4	3	--	17
Kentucky	--	--	1	4	5	--	2	12
Louisiana	--	1	5	8	5	--	1	21
Maine	--	--	--	--	1	1	--	2
Maryland	--	--	1	2	3	--	1	7
Massachusetts	--	--	--	1	2	9	1	14
Michigan	--	--	2	4	10	6	1	23
Minnesota	--	1	3	3	1	3	1	13
Mississippi	1	--	--	4	7	2	1	15
Missouri	--	1	2	8	4	3	1	19
Montana	--	--	--	1	2	3	1	7
Nebraska	--	1	1	3	--	2	--	7
Nevada	--	--	--	--	1	--	2	3
New Hampshire	--	--	--	--	2	2	--	4
New Jersey	--	--	4	7	1	5	--	17
New Mexico	--	1	2	4	6	--	--	13
New York	--	--	1	1	12	20	4	41
North Carolina	--	--	7	10	13	4	--	34
North Dakota	--	--	--	2	2	3	--	7
Ohio	--	--	1	12	15	4	2	34
Oklahoma	7	1	13	11	4	2	--	39
Oregon	--	1	--	4	4	1	--	10
Pennsylvania	--	--	--	7	15	4	3	29
Rhode Island	--	--	1	--	1	--	1	3
South Carolina	--	--	--	7	3	3	--	13
South Dakota	--	--	--	1	--	3	--	4
Tennessee	1	--	--	3	8	2	2	16
Texas	10	4	18	25	25	5	--	87
Utah	--	--	--	--	3	1	2	6
Vermont	--	--	--	--	--	3	--	3
Virginia	--	--	2	5	3	6	--	16
Washington	--	--	2	1	6	6	--	15
West Virginia	--	--	--	5	5	1	--	11
Wisconsin	--	--	1	2	3	6	5	17
Wyoming	--	--	2	--	2	--	--	4
Totals								
U.S.	22	15	117	214	274	157	45	851[1]
Canada	--	2	11	4	1	1	--	21
Bahamas	--	--	--	--	--	--	--	0
Bermuda	--	--	--	--	--	--	--	0
Guam	--	--	--	1	--	--	--	1
Puerto Rico	--	--	--	--	1	--	--	2
Virgin Islands	--	--	--	--	--	--	--	0
Grand Totals	22	17	128	219	276	158	45	878[1]

[1]Includes newspapers selling for 30 cents (one in Minnesota), 60 cents (one each in Florida, Illinois and Louisiana, and two in Canada), 65 cents (one each in New York and Oklahoma), 70 cents (one in New York), 80 cents (one each in Massachusetts and New York), 90 cents (one in Puerto Rico), and $1.15 (one in California).